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WING CHI HOLDINGS LIMITED

榮智控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6080)

PROFIT WARNING

This announcement is made by Wing Chi Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the profit warning announcement of the Company dated 23 October 2018 (the “**Previous Profit Warning Announcement**”). The purpose of this announcement is to provide an update on the Previous Profit Warning Announcement while the Group is still in the process of finalising its audited consolidated financial results for the year ended 31 March 2019.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the financial information currently available, the Group anticipates to report a net loss for the year ended 31 March 2019 (the “**FY2019**”) as compared to the profit for the year ended 31 March 2018. The Board considers that such change from profit to loss is mainly attributable to:

1. substantial decrease in revenue from foundation and site formation work due to (a) delay in commencement of new projects being awarded to the Group; and (b) substantial completion of the projects during the year ended 31 March 2018 including the Hong Kong-Zhuhai-Macao Bridge project, Tseung Kwan O Area 65C2 phase 1 project, No.15 Middle Road project and Fuk Wing Street project, which contributed less revenue in FY2019;
2. substantial decrease in revenue from machinery leasing due to fewer civil works projects available in the market; and
3. decrease in gross profit margin due to (a) substantial loss being incurred in some of the project works and variation orders of the completed projects; (b) additional resources being required to deal with unforeseen ground conditions and site constraints in several construction projects; (c) serious delay in works area handover by clients; and (d) discontinuity of works which in turn impaired the construction efficiency.

As the Company is still in the process of finalising the audited consolidated results of the Group for the FY2019, the information contained in this announcement represents only a preliminary assessment by the Board with reference to the latest unaudited consolidated management accounts of the Group and other information currently available, which neither have been reviewed by the auditors of the Company, nor have been confirmed by the audit committee of the Board. Shareholders and potential investors are advised to read carefully the annual results announcement of the Group for the FY2019 which is expected to be published in June 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Wing Chi Holdings Limited
Li Cheuk Kam
Chairman

Hong Kong, 11 April 2019

As at the date of this announcement, the Executive Directors are Mr. Li Cheuk Kam, Mr. Li Wai Fong and Mr. Liauw Hung; the Non-executive Director is Mr. Poon Wai Kong; and the Independent Non-executive Directors are Mr. Wong Chik Kong, Mr. Chan Chung Kik Lewis and Mr. Lee Kwok Lun.